



# **FY2012 Performance and Accountability Report**

**Montgomery County  
Office of Management and Budget**





# Montgomery County Office of Management and Budget FY2012 Performance and Accountability Report



## OMB Alignment to County Priority Objectives

### Montgomery County Priority Objectives

- A Responsive and Accountable Government
- Affordable Housing in an Inclusive Community
- An Effective and Efficient Transportation Network
- Children Prepared to Live and Learn
- Healthy and Sustainable Communities
- Safe Streets and Secure Neighborhoods
- A Strong and Vibrant Economy
- Vital Living for All of Our Residents

## OMB Headline Performance Dashboard

<u>Headline Performance Measure</u>	<u>FY11 Results</u>	<u>FY12 Results</u>	<u>Performance Change</u>
Overall Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award ratings - Percent rated outstanding or proficient	97.5%	97.5%	
Percent of customers rating OMB services as good or very good on the OMB customer survey for the budget process	81.3%	79.4%	
Percent of departments and funds that overspent their budget	29.63%	28.30%	
Median dollar amount by which departmental and fund budgets were overspent	\$236,792	\$477,229	
Percent of departments and funds that underspent their budget	70.37%	71.70%	
Median dollar amount by which departmental and fund budgets were underspent	\$247,912	\$192,874	



# Montgomery County Office of Management and Budget FY2012 Performance and Accountability Report



## OMB At A Glance

What Department Does and for Whom	How Much/How Many
<p><u>Overall:</u> The Mission of the Office of Management and Budget is to support and enhance the effective and efficient operation of County government, maintain the County's fiscal integrity and financial condition, and preserve the County's AAA bond rating.</p>	<p>Total Operating Budget: \$ 3,255,557 Total Work Years (WYs): 25 Total number of positions: 31 (excluding 3.5 WYs detailed to ERP, .5 charged to Employee Health Benefit Self Insurance Fund, and lapse assumption)</p>
<p><u>Budget Preparation and Administration:</u> Preparing and administering the operating and capital budgets, the six-year Capital Improvements Program (CIP), and the six year fiscal plan (operating budget)</p>	<p>Budget: \$ 1,627,779 Work Years (WYs): 12.5 50.0% of total budget</p>
<p><u>Performance Analysis and Improvement:</u> Providing management support through coordination of productivity improvements, performance measurement, and program evaluation</p>	<p>Budget: \$651,111 Work Years (WYs): 5.0 20.0% of total budget Continued implementation of Results-Based Budgeting</p>
<p><u>Provision and Support of Budget Information Systems:</u> Developing, administering, and providing information technology systems (including ongoing customer support for these systems) that allow County Departments to prepare, manage, and analyze their operating and capital budgets</p>	<p>Budget: \$488,333 Work Years (WYs): 3.8 15.0% of total budget Implemented the first phase of the Hyperion ERP budgeting system</p>



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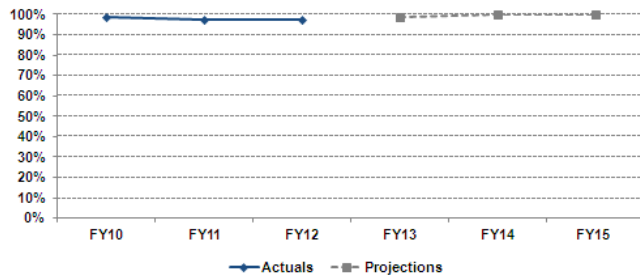
## OMB At A Glance (cont.)

What Department Does and for Whom	How Much/How Many
<p><u>Provision of Fiscal Information and Advice:</u> Providing accurate, timely, and objective information, analysis, and recommendations to the County Executive, County departments, the County Council, and the general public on fiscal issues</p>	<p>Budget: \$325,556 Work Years (WYs): 2.5 10.0% of total budget Conducted 6 community budget forums and provided numerous other presentations to various unions, committees, resident groups, foreign delegations, and employees on fiscal and management issues. Prepared over 57 fiscal impact statements Drafted 23 CECCs</p>
<p><u>Policy Development and Implementation:</u> Developing, promulgating, and applying appropriate budgetary policies and procedures</p>	<p>Budget: \$162,778 Work Years (WYs): 1.3 5.0% of total budget</p>



**Headline Performance Measure 1: Overall Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award ratings – percent rated outstanding or proficient**

**Performance Trends**



	FY10	FY11	FY12	FY13	FY14	FY15
Actuals	98.8%	97.5%	97.5%			
Projections				98.5%	100.0%	100.0%

**Factors Contributing to Current Performance**

- Analysis of prior year GFOA “does not satisfy” responses has led to improvements in areas such as unit goals and objectives, short-term organization-wide policies, and impact of capital improvements on operating budget

**Factors Restricting Performance Improvement**

- Varied quality of performance measures in budget
- Understandability and usability of some portions of the published budget

**Performance Improvement Plan**

OMB will continue to monitor GFOA “does not satisfy” responses to budget submissions and act on any analysis conducted where appropriate for the County’s budget publication needs.

OMB will continue to implement Results Based Budgeting to improve process and analytical criteria used to evaluate operating and capital budget requests to more closely link that evaluation with measures that indicate contribution to achievement of County Executive priority results.

OMB will look to improve the quality and use of performance measures (headline measures and program performance measures) by departments and OMB in resource allocation decisions and program management.

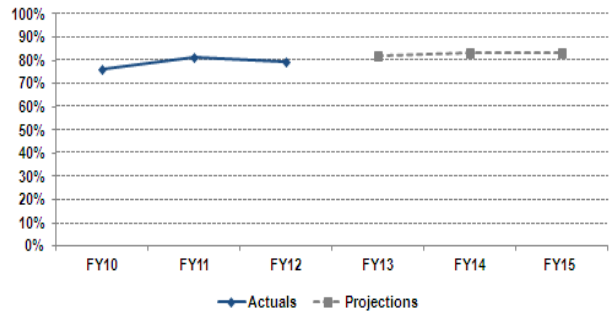


# Montgomery County Office of Management and Budget FY2012 Performance and Accountability Report



## Headline Performance Measure 2: Percentage of customers rating OMB services as good or very good on the OMB Customer Survey for the budget process

### Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actuals	76.4%	81.3%	79.4%			
Projections				82.0%	83.0%	83.0%

### Factors Contributing to Current Performance

- Training and instructional materials provided by OMB to departments for budget process
- Increased focus on customer service

### Factors Restricting Performance Improvement

- Budget submission software (undergoing upgrades for FY14 budget process)
- Need for better training of analysts
- Need for more clear and consistent guidance in budget instruction materials

### Performance Improvement Plan

- OMB holds “Good, Bad, and Ugly” feedback sessions after the budget. Information gained from these sessions is used to improve future budget processes.
- Staff training will be conducted through a staff development program designed to sharpen analytical skills and improve substantive knowledge of relevant public policy subjects.

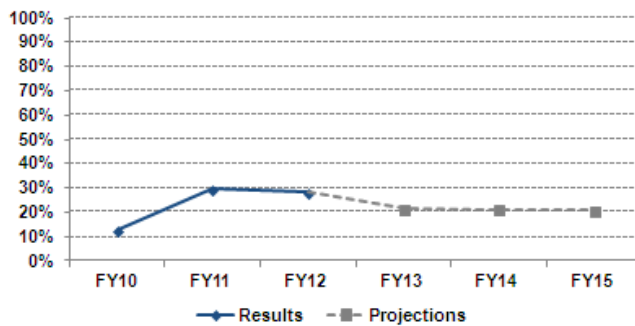


# Montgomery County Office of Management and Budget FY2012 Performance and Accountability Report



## Headline Performance Measure 3: Percent of departments and funds that overspent their budget

### Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Results	12.73%	29.63%	28.30%			
Projections				21.31%	21.04%	20.77%

\*Projections were determined using trend analysis from FY05-12 actuals.

### Factors Contributing to Current Performance

### Factors Restricting Performance Improvement

### Performance Improvement Plan

OMB is working with CountyStat to revise performance measures to ensure they accurately reflect the Office's contribution to the Executive's goal of creating a Responsive and Accountable Government.

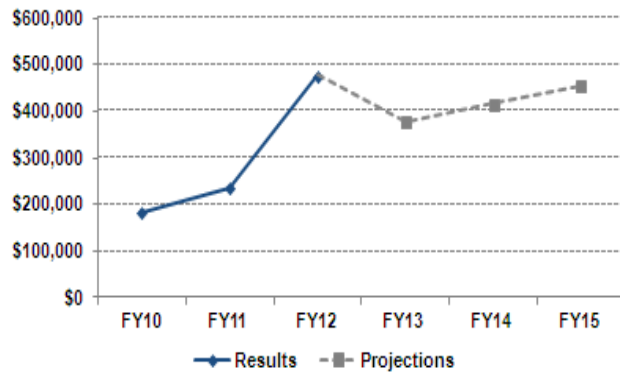


# Montgomery County Office of Management and Budget FY2012 Performance and Accountability Report



## Headline Performance Measure 4: Median dollar amount by which departmental and fund budgets were overspent

### Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Results	\$183,724	\$236,792	\$477,229			
Projections				\$378,557	\$416,601	\$454,644

\*Projections were determined using trend analysis from FY05-12 actuals.

### Factors Contributing to Current Performance

### Factors Restricting Performance Improvement

### Performance Improvement Plan

OMB is working with CountyStat to revise performance measures to ensure they accurately reflect the Office's contribution to the Executive's goal of creating a Responsive and Accountable Government.

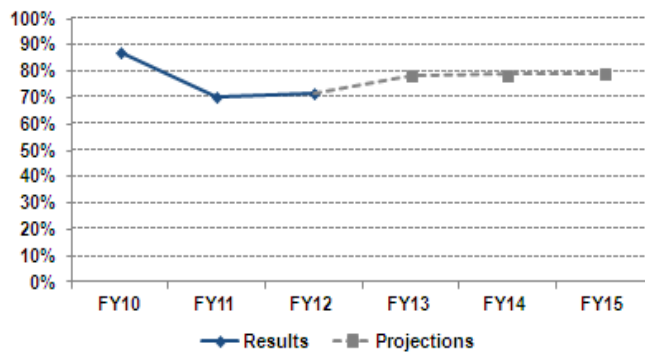


# Montgomery County Office of Management and Budget FY2012 Performance and Accountability Report



## Headline Performance Measure 5: Percent of departments and funds that under-spent their budget

### Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Results	87.27%	70.37%	71.70%			
Projections				78.68%	78.95%	79.21%

\*Projections were determined using trend analysis from FY05-12 actuals.

### Factors Contributing to Current Performance

### Factors Restricting Performance Improvement

### Performance Improvement Plan

OMB is working with CountyStat to revise performance measures to ensure they accurately reflect the Office's contribution to the Executive's goal of creating a Responsive and Accountable Government.

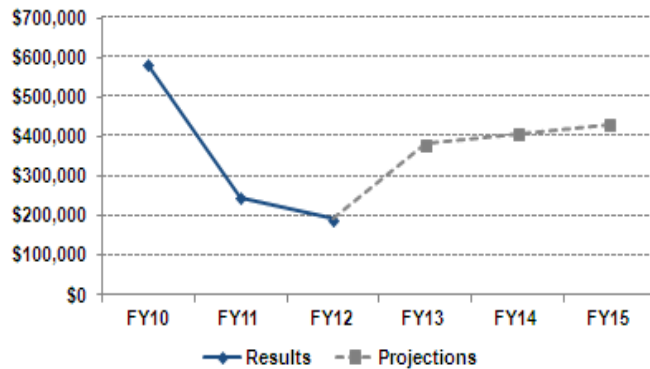


# Montgomery County Office of Management and Budget FY2012 Performance and Accountability Report



## Headline Performance Measure 6: Median dollar amount by which departmental and fund budgets were under-spent

### Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Results	\$582,925	\$247,912	\$192,874			
Projections				\$381,326	\$407,214	\$433,102

\*Projections were determined using trend analysis from FY05-12 actuals.

### Factors Contributing to Current Performance

### Factors Restricting Performance Improvement

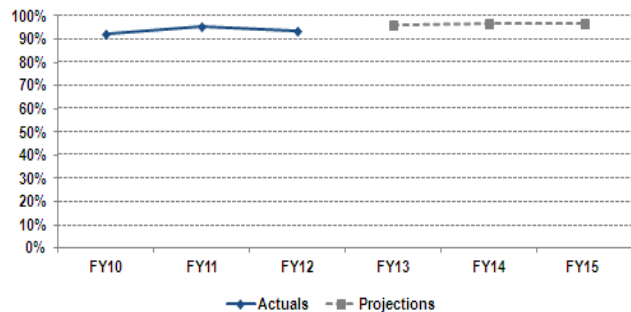
### Performance Improvement Plan

OMB is working with CountyStat to revise performance measures to ensure they accurately reflect the Office's contribution to the Executive's goal of creating a Responsive and Accountable Government.



**Supporting Measure:** Percentage of customers rating the ability of OMB staff to provide effective support in solving problems as somewhat or very effective on the OMB Customer Survey for the budget process

#### Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actuals	92.0%	95.7%	93.6%			
Projections				96.0%	97.0%	97.0%

#### Factors Contributing to Current Performance

- Increased focus on customer service

#### Factors Restricting Performance Improvement

- Need for better training of analysts
- Need for more clear and consistent guidance in budget instruction materials
- Significant turnover of analysts

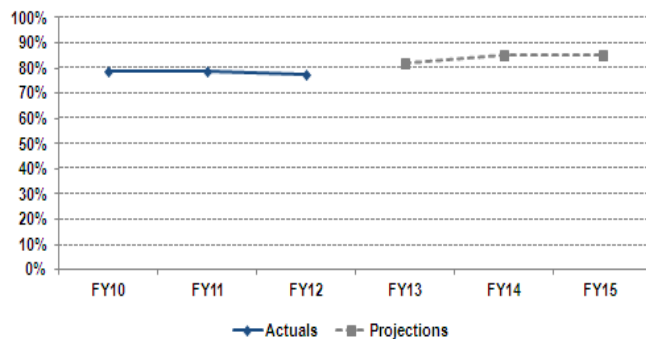
#### Performance Improvement Plan

- OMB holds “Good, Bad, and Ugly” feedback sessions after the budget. Information gained from these sessions is used to improve future budget processes.
- Staff training will be conducted through the development of a staff development program designed to sharpen analytical skills and improve substantive knowledge of relevant public policy subjects.



**Supporting Measure:** Percentage of customers rating the quality of OMB training and instructional materials as good or very good on the OMB Customer Survey for the budget process

#### Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actuals	78.7%	78.6%	77.6%			
Projections				82.0%	85.0%	85.0%

#### Factors Contributing to Current Performance

- Increased focus on customer service

#### Factors Restricting Performance Improvement

- Need for better training of analysts
- Need for more clear and consistent guidance in budget instruction materials

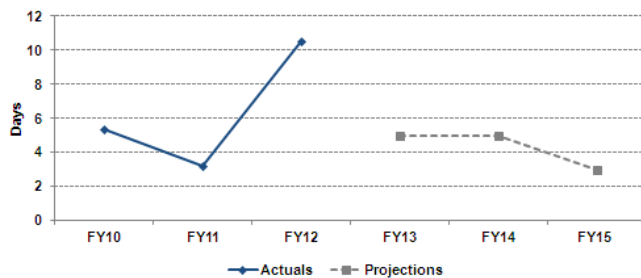
#### Performance Improvement Plan

- OMB holds “Good, Bad, and Ugly” feedback sessions after the budget. Information gained from these sessions is used to improve future budget processes.
- Staff training will be conducted through the development of a staff development program designed to sharpen analytical skills and improve substantive knowledge of relevant public policy subjects.



**Supporting Measure: Average number of days to process requests: Budget Adjustment**

**Performance Trends**



	FY10	FY11	FY12	FY13	FY14	FY15
Actuals	5.4	3.2	10.5			
Projections				5.0	5.0	3.0

**Factors Contributing to Current Performance**

- Enhanced management focus

**Factors Restricting Performance Improvement**

- Time demands of normal budget review process
- Complexity and volume of requests
- Quality of materials and information received
- Timeliness in responding to OMB questions and requests
- Improvements needed in OMB monitoring and tracking systems
- Large number of vacancies and subsequent new analysts

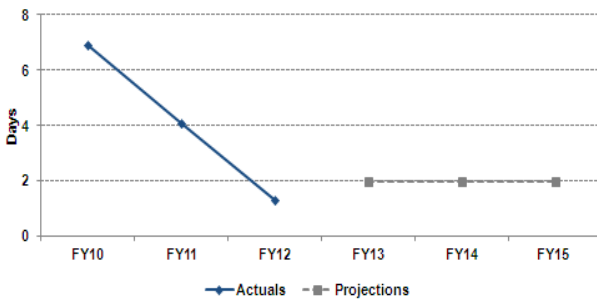
**Performance Improvement Plan**

OMB is engaged in a number of efforts to improve its existing IT systems to revise its customer service database so that requests can be tracked, triaged, and managed more efficiently and effectively (e.g. process time is reduced and substantive, long term issues are identified and addressed in a timely manner).



**Supporting Measure: Average number of days to process requests: County Executive Correspondence**

**Performance Trends**



	FY10	FY11	FY12	FY13	FY14	FY15
Actuals	6.9	4.1	1.3			
Projections				2.0	2.0	2.0

**Factors Contributing to Current Performance**

- Internal tracking system promotes expedient response
- Enhanced management focus

**Factors Restricting Performance Improvement**

- Time demands of normal budget review process
- Complexity and volume of requests
- Quality of materials and information received
- Timeliness in responding to OMB questions and requests
- Improvements needed in OMB monitoring and tracking systems

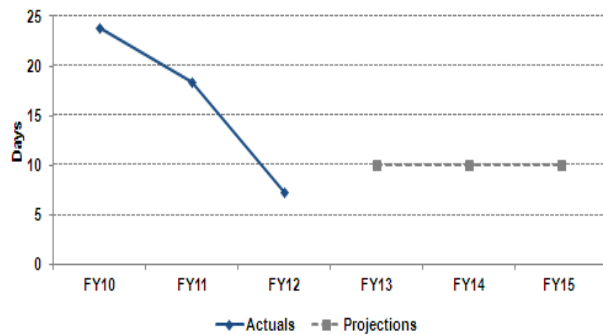
**Performance Improvement Plan**

OMB is engaged in a number of efforts to improve its existing IT systems to revise its customer service database so that requests can be tracked, triaged, and managed more efficiently and effectively (e.g. process time is reduced and substantive, long term issues are identified and addressed in a timely manner).



**Supporting Measure: Average number of days to process requests: Future fiscal impacts of legislation**

**Performance Trends**



	FY10	FY11	FY12	FY13	FY14	FY15
Actuals	23.8	18.4	7.4			
Projections				10.0	10.0	10.0

**Factors Contributing to Current Performance**

- Enhanced management focus
- Increased focus in meeting the public hearing deadline for fiscal impact statements for legislation
- Developed a clear template for departments and analysts

**Factors Restricting Performance Improvement**

- Time demands of normal budget review process
- Complexity and volume of requests
- Quality of materials and information received
- Timeliness in responding to OMB questions and requests
- Improvements needed in OMB monitoring and tracking systems

**Performance Improvement Plan**

OMB is engaged in a number of efforts to improve its existing IT systems to revise its customer service database so that requests can be tracked, triaged, and managed more efficiently and effectively (e.g. process time is reduced and substantive, long term issues are identified and addressed in a timely manner).



**Responsive and Sustainable Leadership:**

Responsive and Sustainable Leadership has been the cornerstone of the County Executive's vision for Montgomery County government. To advance this vision, we have identified eight overarching goals for all County departments:

**1) Effective and Productive Use of the Workforce/Resources:**

Department actively works to effectively and productively use its workforce/resources, including, but not limited to, better management of overtime, implementation of productivity improvements, reduction of ongoing costs, and efficient use of other resources.

*a) XX% increase/decrease in average overtime hours used by all approved positions (N/A - 0 hrs/position in FY11 to 0.9 hrs/position in FY12) (Source: Department provides and CountyStat validates)*

*b) XX% increase/decrease in average Net Annual Work hours worked by all approved positions (Source: data/information not available yet)*

**2) Internal Controls and Risk Management:**

Department actively assesses its internal control strengths, weaknesses, and risks regarding compliance with laws, regulations policies and stewardship over County assets. Department reviews and implements Internal Audit recommendations in a systematic and timely manner, and proactively manages risk pertaining to improving workplace safety, decreasing work-related injuries, and reducing County exposure to litigation.

*a) XX% of XX Audit report recommendations were fully implemented since issuance of the audit report N/A – no audit recommendations in the last 12 months. (Source: Internal Audit will provide to CountyStat)*

*b) No change in number of work-related injuries; 1 in FY11 and 1 in FY12 (Source: Internal Audit will provide to CountyStat)*



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### **3) Succession Planning:**

Department actively plans for changes in its workforce, in order to maintain continuity of services, develop staff capabilities, maintain and/or transfer knowledge, and enhance performance.

*a) List all the key positions/functions in your department that require succession planning (Under Construction)*

*b) XX% of those identified key position/functions have developed and implemented long-term succession planning (Under Construction)*

Both the Capital Budget Coordinator and the Operating Budget coordinator are particularly critical positions that require succession planning. Both incumbents work with analysts who understand the process that each uses to perform their functions.

### **4) Mandatory Employee Training:**

Department systematically monitors and actively enforces employees' mandatory and/or required trainings.

*65% of department's employees who have fulfilled mandatory County/State/Federal training requirements (Source: Department)*

OMB systematically monitors and actively enforces employees' mandatory and/or required trainings. Staff cumulatively completed over 650 County-sponsored training classes in the past ten years. OMB also actively participates in training outside of County with industry professional organizations such as the Government Finance Officers Association (GFOA).

65 % of department's employees have fulfilled mandatory County training requirements for Preventing Workplace Harassment within the past 3 years.

During the period of performance, OMB held 6 brown bag lunches for staff on various topics.



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## 5) Workforce Diversity and MFD Procurement:

Department actively participates in the recruitment of a diverse workforce and enforcement of MFD procurement requirements.

*Workforce Diversity: refer to or attach summary yearly report prepared by OHR  
(Source: Department provides and CountyStat validates)*

	African Amer	Native Amer	White	Asian	Hispanic	Other
OMB	11%	0%	56%	15%	11%	7%

*MFD Procurement: refer to or attach summary yearly report prepared by DGS  
(Source: Department provides and CountyStat validates) ([Link](#) to report)*



**6) Innovations:**

Department actively seeks out and tests innovative new approaches, processes and technologies in a quantifiable, lean, entrepreneurial manner to improve performance and productivity.

*Total number of innovative ideas/project currently in pipeline for your department, including the ones initiated in coordination with the Montgomery County Innovation Program. (Source: Department)*

*Expected (or achieved) return on investment for each of those innovative ideas/projects, quantified in terms of at least one of the following measures: increased effectiveness/efficiency, cost savings/avoidance, increased transparency/accountability, or increased customer satisfaction. (Source: Department)*

**Implement Hyperion Budgeting for Decision Support** – Consolidates all OMB’s remaining disparate budget systems into a single Hyperion application; reduces duplicate data entry by departments and OMB staff; consolidates spreadsheet applications such 6-Year Fund displays into a centralized system; decentralizes current processes so departments can load Future Fiscal Impacts and update Mission Statements/Program Descriptions without having OMB staff enter the hand-annotated documents received by departments.

**Implement Group Insurance One Rate** - Instead of budgeting group insurance by individual Plans and Coverage (which required OMB to update tables with rates/amounts for over 50 options), the department is budgeting Group Insurance by a position with a single amount (based on actuarial figures). This makes budgeting group insurance easier, reduces maintenance tables, and provides a more accurate reflection of Group Insurance amounts by position.

**Streamline Encumbrance Liquidation Process** – Created a series of liquidation reports on the new Purchasing Dashboard that eliminates the need for OMB to create and distribute spreadsheets to departments. Departments can now extract the data into the spreadsheets themselves and submit their data to OMB directly.

**Strengthen Cross-functional Analytical Capabilities** - Teams of analysts have been created in order to improve cross-coverage and exchange of information among analysts. Managers hold periodic team meetings to provide cross-training on high-impact issues and build subject matter expertise.

**openMontgomery/dataMontgomery** – The Office of Management and Budget became one of the County’s first departments to participate in the dataMontgomery website, which is part of the County’s larger openMontgomery initiative. Working with the Department of Technology Services, OMB posted the FY13 approved operating budget and this new platform allows users to sort/filter data and visualize data (create graphs, charts, etc.) using any criteria they wish.



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## **7) Collaborations and Partnerships:**

Department actively participates in collaborations and partnerships with other departments to improve results beyond the scope of its own performance measures. Please only list accomplishments that had positive results for other department(s) as well.

*a) Total \$\$ saved by through collaborations and partnerships with other departments (Source: Department) (Under construction)*

*b) List your accomplishments and/or expected results (Source: Department)*

**Identify Opportunities to Increase Budgeting Process Efficiency-** OMB is evaluating existing operations to identify opportunities to streamline processes for both OMB staff as well as department budget offices. This effort also relates to the implementation of Hyperion system and the incorporation of future ERP updates.

**Streamlining CIP Processes with the Department of Finance-** working with Finance to streamline and better integrate all CIP processes for interfacing and reconciling CIP budgets and actuals. This will include jointly implementing a new process for recording partial closeouts in Oracle, PnG, and Hyperion as well as interfacing supplementals and transfers into Oracle and PnG directly from Hyperion. With new people and systems in place, all prior procedures are being reviewed to eliminate unnecessary and redundant work. This will improve efficiency and provide more consistent and accurate numbers for departments.

**Revising CIP Program of Requirements Process with the Department of General Services-** OMB is overhauling its approach to reviewing CIP Programs of Requirements (project scope documents). Included in this process change is an earlier and more proactive OMB involvement in POR development. This includes more active use of benchmarking, program need (as appropriate) and space need validation, and initial cost estimating as part of the POR development process so that we can determine if the scope needs to be scaled back prior to undertaking expensive design work. This should provide cost savings and efficiency. This has involved significant collaboration with Department of General Services.

**Increasing CIP Benchmark Analysis in Conjunction with the Department of General Services and CountyStat-** in response to OMB's emphasis on cost benchmarking, the Department of General Services has undertaken a cost benchmarking analysis. OMB and CountyStat are active participants in the ongoing evaluation effort.



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### **8) Environmental Stewardship:**

Department actively makes appropriate changes to workplace operations, workflow, employee behavior, equipment use, and public interactions to increase energy-efficiency, reduce its environmental footprint, and implement other environmentally responsible practices.

- a) 57% decrease in print and mail expenditures (Source: CountyStat)*
- b) 11% increase in paper purchases (measured in total sheets of paper) (Source: CountyStat)*
- c) List your accomplishments and/or expected results (Source: Department)*

OMB has significantly reduced the numbers and sizes of its budget publications to reduce paper usage and save money. In addition, OMB has increased usage of shared network drives as a means of sharing information with departments and Council to avoid the use of hard copy documents.